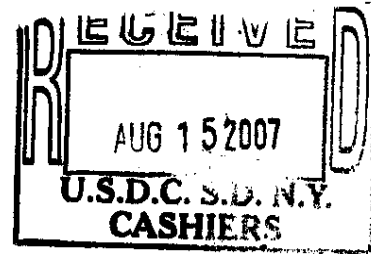


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



-----X
KEN JORDAN AND SCOTT KIRKLAND,
collectively p/k/a THE CRYSTAL METHOD

Plaintiffs,

vs.

SHERIDAN SQUARE ENTERTAINMENT,
INC., f/k/a "V2 RECORDS" and VRNA, LLC.

Defendant.
-----X

Civil Action No: 07-cv-06131 (LAP)

**FIRST AMENDED COMPLAINT
AND JURY DEMAND**

Plaintiffs KEN JORDAN and SCOTT KIRKLAND, collectively p/k/a THE CRYSTAL METHOD, through their undersigned counsel, Troutman Sanders LLP, hereby complain of defendants, as follows:

NATURE OF THE ACTION

1. By this action, plaintiffs, the members of the pioneer electronic "big beat" dance band The Crystal Method, seek relief from defendants continued abridgment of their rights. Defendants, and perhaps their related companies, have been contractually obligated to timely and properly account and pay to plaintiffs sums due for exploitation of various recordings. While defendants have realized an overwhelming windfall as a result of plaintiffs' performance under the contract, defendants have utterly failed to live up to their contract with, and responsibility to plaintiffs, engaging in pervasive concealment of exploitation and payments, all to plaintiffs' detriment. Because defendants have failed to remedy their wrongdoing

despite plaintiffs' repeated requests, which defendants have simply ignored, plaintiffs have been forced to bring this lawsuit.

JURISDICTIONAL STATEMENT

2. Plaintiffs' first cause of action is for breach of contract, wherein plaintiffs are citizens of and reside in different states from the defendants and the amount in controversy exceeds \$75,000.00; conferring subject matter jurisdiction pursuant to 28 U.S.C. § 1332. Plaintiffs' second cause of action is for copyright infringement, conferring subject matter jurisdiction pursuant to 28 U.S.C. § 1331.

3. Plaintiff Ken Jordan ("**Jordan**") is a citizen of the state of California.

4. Plaintiff Scott Kirkland ("**Kirkland**") is a citizen of the state of California.

5. Upon information and belief, defendant SHERIDAN SQUARE ENTERTAINMENT, INC., f/k/a V2 Records ("**SSE**") is a corporation organized and existing under the laws of the State of Delaware, which has principle places of business at 59 West 19th Street, 6th Floor, New York, New York 10011.

6. Upon information and belief, defendant VRNA, LLC ("**VRNA**") is a corporation organized and existing under the laws of the state of Delaware with a principle place of business at 14 East 4th Street, New York, New York, 10012.

7. Upon information and belief, **SSE** and **VRNA** conducts business and derives substantial benefit from the State of New York.

8. Upon information and belief, the conduct of **SSE** and **VRNA** complained of herein occurred within the State of New York.

9. Upon information and belief, **SSE** has failed to continue acting as a proper corporation and may be used merely as the instrument of its officers, directors and/or

shareholders, including without limitation Michael Olsen, Joseph Petlow, Joseph Bianco and/or Anil Narang.

10. Upon information and belief, relative to the acts events and circumstances herein, the acts of SSE are the acts of Michael Olsen, Joseph Petlow, Joseph Bianco and/or Anil Narang, and the acts of Michael Olsen, Joseph Petlow, Joseph Bianco and/or Anil Narang are the acts of SSE.

11. Upon information and belief, relative to the acts, events and circumstances herein, the acts of SSE are the acts of VRNA and vice versa.

12. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(a).

BACKGROUND

13. In 1993 **Jordan** and **Kirkland** formed the musical group known as The Crystal Method (hereinafter, **Jordan** and **Kirkland** are referred to collectively as “TCM”).

14. TCM is widely regarded as the pioneer of the so-called big beat electronic dance genre in the United States.

15. TCM quickly became well known in the underground club culture in Los Angeles, California. TCM’s debut single, “Keep Hope Alive,” became something of an anthem for that genre of music.

16. TCM worked very hard to create a following, engaging in incessant live performances to further develop their goodwill. TCM’s increasing popularity both in the clubs and among radio disk-jockeys led to a deal with Outpost Recordings, which was distributed by Universal Music Group, Inc., in 1996.

17. In 1997, TCM released the album “*Vegas*” which reached No. 92 on the BillBoard charts, and is a certified “Gold” album by the Recording Industry

Association of America (the "RIAA"). Three songs from that album also reached the charts: *Busy Child* reached No. 33 on the Hot Dance charts; *Comin' Back* reached No. 1 on the Hot Dance charts; and *Keep Hope Alive* reached No. 14 on the Hot Dance charts.

18. Over the next few years, TCM continued to tour and release new materials, remixes and extended play recordings.

19. In 2001, TCM released its second album "*Tweekend*," which reached the No. 1 position on the Top Electronic Albums chart; No. 6 on the Top Internet Albums chart and No. 6 on the Top Canadian Albums chart.

20. In 2002, TCM released a remix/compilation album "*Community Service*" which reached the No. 5 position on the Top Electronic Albums chart and No. 15 on the Top Independent Albums chart.

21. During this period of time, TCM released a few singles that also did well, including *Name of the Game* (from the *Tweekend* album) which reached the No. 5 position on the Hot Dance Tracks chart as well as No. 22 on the Modern Rock charts and *You Know it's Hard*, which reached the No. 7 position on the Hot Dance Tracks charts.

22. Because TCM's music is so broad in scope, and the subject of such commercial and critical acclaim, it can be found in numerous television shows, video games, commercials, trailers and feature films.

23. Thus, for instance, TCM's music is featured as the title theme for the FOX television series *Bones*, the title theme music for the NBC television series *Third Watch*, and featured on episodes of television shows such as *South Park*, *Alias* and *C.S.I.* and *Dark Angel*.

24. Similarly, TCM's music has been featured in such major motion pictures as *Blade II*, *Blade Trinity*, *Gone in Sixty Seconds*, *Lost in Space*, *Spawn*, *Zoolander*, *XXX*, *The Replacement Killers*, *Romeo Must Die* and the remake of *The Longest Yard*.

25. Not surprisingly, TCM's music also has been featured in video games such as "Reservoir Dogs - The Video Game," "Tom Clancy's Splinter Cell," "FIFA '98: Road to World Cup," "N2O: Nitrous Oxide," "FreQuency," "Mad Dash Racing," "Gran Turismo 4," "Need For Speed: Underground," "Dance Dance Revolution: SuperNova," "Spiderman," and "Forza Motorsport."

**FIRST CAUSE OF ACTION
BREACH OF CONTRACT**

26. TCM realleges and incorporates herein by reference, to the extent applicable, each and every allegation contained hereinabove

27. Based on the critical and commercial success of TCM's music and recordings, on or about August 26, 2003, TCM entered into a joint venture with V2 Records, Inc. ("V2").

28. A copy of the August 26, 2003 contract between TCM and V2 (the "2003 Contract") is attached hereto as Exhibit A.

29. Pursuant to the 2003 Contract, TCM was to deliver to V2 an album which V2 would then commercially distribute and exploit throughout the world.

30. TCM abided by all of its obligations under the 2003 Contract, including delivery of the album *Legion of Boom*.

31. Upon information and belief, on or about November 23, 2005, V2 transferred assets to VRNA and SSE.

32. Upon information and belief, on or about November 23, 2005, SSE and VRNA assumed V2's rights and obligations under the 2003 Contract.

33. Upon information and belief, for a period of time after November 23, 2005, SSE and VRNA conducted business under the trade name "V2 Records" though they were no longer the same entity as V2.

34. Upon information and belief, at all salient times since assuming V2's rights and obligations under the 2003 Contract, SSE and VRNA have exercised all of the rights under the 2003 Contract and has breached all of their obligations to TCM under the 2003 Contract, including without limitation, the obligation to provide timely and accurate accountings as well as the obligation to pay TCM for the exploitation of the album *Legion of Boom* and recordings contained thereon.

35. As a direct and proximate result of the breach of the aforementioned 2003 Contract, TCM has been damaged in an amount to be determined at trial.

SECOND CAUSE OF ACTION
COPYRIGHT INFRINGEMENT

36. TCM realleges and incorporates herein by reference, to the extent applicable, each and every allegation contained hereinabove.

37. This cause of action arises under the United States Copyright Act, 17 U.S.C. § 101 *et seq.*

38. TCM has a beneficial interest in the copyrights covering the musical compositions appearing on the album *Legion of Boom*. The foregoing includes the compositions: (i) True Grit; (ii) The American Way; (iii) I know It's You; (iv) Realizer; (v) Broken Glass; (vi) Weapons of Mass Distortion; (vii) Bound Too Long;

(viii) Acetone; (ix) High and Low; and (x) Wide open, all of which are the subject of copyright registrations PA-1-209-358 and PA-1-235-256.

39. TCM owns the copyright in and to each sound recording appearing on the album *Legion of Boom*.

40. On or about July 11, 2007, TCM caused to be filed with the United States Copyright Office an application for the sound recordings appearing on the album *Legion of Boom* (the "Copyright Application").

41. TCM's management requested that the Copyright Application be subject to special handling to expedite registration.

42. On or about July 26, 2007, the United States Copyright Office informed TCM's management that the Copyright Office would be issuing a copyright registration, in TCM's name, for *Legion of Doom*.

43. On or about August 1, 2007, the United States Copyright Office informed TCM's management that the copyright issued for *Legion of Doom* would be registered with the number SR-391-859, and that registration would issue in the name of TCM.

44. The 2003 Contract terminated on or about November 27, 2006.

45. Upon information and belief, subsequent to November 27, 2006, SSE continued to exploit *Legion of Doom* by, *inter alia*, reproducing, distributing and authorizing others to reproduce and distribute the compositions and sound recordings embodied on *Legion of Doom*.

46. Upon information and belief, the foregoing conduct by SSE infringed the copyrights to the sound recordings and compositions appearing on *Legion of Doom*.

47. As a direct and proximate result of the **SSE's** acts of infringement, **TCM** has been damaged in an amount to be determined at trial.

WHEREFORE, plaintiffs pray for judgment as follows:

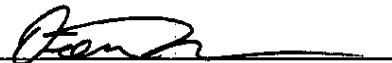
1. General damages according to proof;
2. An accounting of defendant's profits;
3. At Plaintiffs' option, statutory damages for infringement of the copyrights covering the compositions;
4. Exemplary damages according to proof;
5. Piercing the corporate veil against defendant and holding Michael Olsen, Joseph Petlow, Joseph Bianco and/or Anil Narang responsible for any judgment which defendant cannot satisfy;
6. Plaintiff's attorney's fees;
7. Costs of suit; and
8. Such further relief as the Court may deem just.

DEMAND FOR A JURY TRIAL

Plaintiffs hereby request a jury trial for all claims as provided for in Federal Rule of Civil Procedure 38.

Dated: August 15, 2007
New York, New York

Respectfully submitted,
TROUTMAN SANDERS LLP

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Attorneys for Plaintiffs